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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/772,427	01/30/2001	David Lawrence	3499-93	9769
28062	7590	11/22/2005		
BUCKLEY, MASCHOFF, TALWALKAR LLC 5 ELM STREET NEW CANAAN, CT 06840			EXAMINER OYEBISI, OJO O	
			ART UNIT	PAPER NUMBER
			3628	

DATE MAILED: 11/22/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/772,427	LAWRENCE, DAVID	
	Examiner	Art Unit	
	OJO O. OYEBISI	3628	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 02 March 2005.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 47-60 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 47-60 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date: _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date: _____ | 6) <input type="checkbox"/> Other: _____ |

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DETAILED ACTION

This office action is responsive to applicant's amendment filed March 2, 2005. In the Amendment filed March 2, 2005 the following has occurred: claims 47-51 have been presented for reconsideration, claims 52 and 53 are currently amended, and claims 54-60 are newly added. The two affidavits filed on May 20, 2005 have been thoroughly looked at and considered but found to be not pertinent. Claims 47-53 have been reconsidered, and claims 47-60 stand rejected in this office action.

Double Patenting

1. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

2. **Claims 47, 52 and 54** are provisionally rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over **claim 1** of copending Application No. 10941417. Although the conflicting claims are not identical, they are not patentably distinct from each other because instant applicant, Claims 47, 52 and 54, claim a computer-implemented method to facilitate management of risk related to political exposure associated with a financial transaction, comprising: receiving digital financial transaction data; determining that the participant is a political identified person; calculating first and second political risk score/numerical value; calculating based on the first and second risk score/numerical values overall political risk quotient; comparing the transaction overall political quotient with a risk quotient threshold. Similarly, the copending application, claim 1, broadly claims computer-implemented method for managing risk related to financial transactions involving a politically identified person, the method comprising: **receiving information relating to political exposure associated with a person involved in a financial transaction; structuring the information received according to political exposure risk quotient criteria; and calculating a risk quotient using the structured information.**

This is a provisional obviousness-type double patenting rejection because the conflicting claims have not in fact been patented.

Claim Rejections - 35 USC § 112

3. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

4. Claims 47-60 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. The claims cite calculating an overall transaction political risk quotient associated with the financial transaction, whereas quotient by mathematical definition is the result of one number divided by another or expressed as a ratio (one number divided by another) of two numbers multiplied by 100. In order to further understand the mechanism of this invention, the specification was consulted. However, the specification (on page 13) only mentions a "quotient" resulting from two numbers being multiplied together. There is only a single paragraph in the specification that describes the calculation by algorithm of a risk quotient, and that description is replete with the uncertain and non-specific terms "may be (or maybe not)" and "can be (or can not)", and does not clearly and adequately explain with certainty exactly how that quotient is calculated by one wishing to duplicate and use the invention. While an applicant may use his own defined words, those words cannot be the opposite of their normal well-known meaning, which is the case when using the word "quotient" meaning the result of division to describe instead the product of multiplication. In addition, there is no

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definition of what the first category or second category (political risk score) is for purposes of calculating the risk score, nor is there any definition of what or at what level the threshold is or how it is calculated, nor is there any definition of what the scale of the score is so as to determine what numerical level is considered high and what level is low. In the example on page 13 of the specifications, it is stated that a quotient of -12 indicates a low risk, but on a scale of all negative numbers -1 million would be low and -12 would be high. There is also no definition of the numeric criteria is for each evaluation factor, nor a list of all the evaluation factors, in order for a user to determine exactly what is at issue and how the risk scores are to be calculated. The applicant has not described a specific list of evaluation factors of either the person or the transaction, nor has he provided a specific list of the weightings that should be applied to each factor, nor has he provided a specific equation of how the "quotient" is to be calculated, nor has he provided a method of calculating what a threshold should be, nor has he provided a specific and complete concrete example of how this invention should be used with all elements and equations defined and included. There is only a general concept proposed that one should know who they are dealing with in a financial transaction through some undescribed set of evaluation factors with equally undescribed weighting criteria, and how that knowledge on some undescribed numeric scale might impact their decision to do business with them in some undescribed way. The claims of the applicant are very broad and vague, there is essentially no direction provided by the inventor.

5. The following is a quotation of the second paragraph of 35 U.S.C. 112:

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The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

6. Claims 47-60 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The claims cite calculating an overall transaction political risk quotient associated with the financial transaction, whereas quotient by mathematical definition is the result of one number divided by another or expressed as a ratio (one number divided by another) of two numbers multiplied by 100. In order to further understand the mechanism of this invention, the specification was consulted. However, the specification (on page 13) only mentions a "quotient" resulting from two numbers being multiplied together. There is only a single paragraph in the specification that describes the calculation by algorithm of a risk quotient, and that description is replete with the uncertain and non-specific terms "may be (or maybe not)" and "can be (or can not)", and does not clearly and adequately explain with certainty exactly how that quotient is calculated. Further, there is no definition of what the first category or second category (political risk score) is for purposes of calculating the risk score, nor is there any definition of what or at what level the threshold is or how it is calculated, nor is there any definition of what the scale of the score is so as to determine what numerical level is considered high and what level is low. In the example on page 13 of the specifications, it is stated that a quotient of -12 indicates a low risk, but on a scale of all negative numbers -1 million would be low and -12 would be high. There is also no definition of the numeric criteria is for each evaluation factor, nor a list of all the evaluation factors, in order for a user to determine exactly what is at issue and how the

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risk scores are to be calculated. The applicant has not described a specific list of evaluation factors of either the person or the transaction, nor has he provided a specific list of the weightings that should be applied to each factor, nor has he provided a specific equation of how the "quotient" is to be calculated, nor has he provided a method of calculating what a threshold should be, nor has he provided a specific and complete concrete example of how this invention should be used with all elements and equations defined and included.

Claim Rejections - 35 USC § 102

7. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 47-58, and 60 are rejected under 35 U.S.C. 102(e) as being anticipated by Basch et al (Basch hereinafter, U.S PAT: 6, 119, 103).

Re claim 47. Basch discloses a computer-implemented method to facilitate Management of risk related to political exposure associated with a financial transaction, comprising: receiving digital financial transaction data into a computer system including data identifying a participant in the financial transaction (see abstract); determining that the participant is a politically identified person (PIP) by referencing digital data in a memory of a computer

system indicating that the participant has a status of at least one of: an elected official, a bureaucrat, a political appointee, World Bank Official and a military personnel (i.e., the customer/account data store represents a reference data store employed to hold account and customer data e.g., identity and status information, see col.10, lines 50-65, also see col.7, lines 53-65); calculating a first political risk (i.e., fraud) score based on the financial transaction data; calculating a second category political risk (i.e., fraud) score based on the financial transaction data (see col.4, lines 1-15, also see col. 9, lines 30-36 – multiple financial risk scores may be generated for a particular scoreable event, depending on the financial risk(e.g., bankruptcy, credit loss, fraudulent usage, and the like)); calculating, based on the first and second category political risk score, an overall transaction political risk quotient associated with the financial transaction (i.e., form a score based on preexisting model, see col.4, lines 5-12) ; and comparing the overall transaction political I risk quotient with a risk quotient threshold to determine a suggested action associated with the financial transaction (see col.4, lines 10-15).

Re claim 48. Basch further discloses a computer-implemented method wherein the overall transaction political risk quotient is further calculated based on weights applied to said first and second category political risk scores (i.e., predictive model, model used by Basch to calculate first and second risk score, may consist of model metadata (which may represent patterns weights, calibration

factors, and other factors which characterizes and conditions the functionality of the predictive model, see col.12, lines 10-30).

Re claim 49. Basch discloses the computer-implemented method wherein the suggested action is at least one of: (i) a recommendation to decline the financial transaction (i.e., transaction authorization system to deny a particular authorization request, see col.9, lines 45-50, also see col.5, lines 30-45); (ii) a recommendation to gather additional information associated with the financial transaction (i.e., depending on the type of public record data involved the system may receive the public record data from external public stores, intermittently, monthly, daily, or even frequently see col.7, lines 45-65) ; (iii) a recommendation to monitor the financial transaction (see col.2, lines 45-65); (iv) notifying an authority.

Re claim 50. Basch further discloses the computer-implemented method, wherein the financial transaction is at least one of: (i) a request to open a new account (col.7, lines 8-12); and (ii) a transaction associated with an existing account (i.e., currently open accounts, see col.7, lines 38-40).

Re claim 51. Basch further discloses the computer-implemented method, wherein the financial transaction is associated with a financial institution, the method further comprising; aggregating the overall transaction political risk quotient with a plurality of overall transaction political risk quotient associated with a plurality of financial transactions to identify an aggregate political risk

quotient associated with the financial institution (i.e., form a score based on preexisting model, see col.4, lines 5-12, see col.4, lines 10-15, also see fig .1).

Re claim 52. Basch discloses a computer-implemented method to facilitate Management of risk related to political exposure associated with a financial transaction, comprising: receiving digital financial transaction data associated with the transaction (see abstract); calculating a first numerical value representative of a political risk (i.e., fraud) based on the financial transaction data; calculating a second numerical value representative of a political risk (i.e., fraud) based on the financial transaction data (see col.4, lines 1-15, also see col. 9, lines 30-36 – multiple financial risk scores may be generated for a particular scoreable event, depending on the financial risk(e.g., bankruptcy, credit loss, fraudulent usage, and the like)); calculating, based on the first and second numerical values, an overall transaction political risk quotient associated with the financial transaction (i.e., form a score based on preexisting model, see col.4, lines 5-12) ; and generating, based on the overall transaction political I risk quotient a suggested action for the financial transaction (see col.4, lines 10-15).

Re claim 53. Basch further discloses the method wherein the first numerical value is an indication that a participant in the financial transaction is at least one of an elected official, a bureaucrat, a political appointee, World Bank Official and a military personnel (i.e., the customer/account data store represents a reference data store, employed to hold account and customer data e.g., identity and status information, see col.10, lines 50-65, also see col.7, lines 53-65).

Re claim 54. Basch further discloses a computer-implemented method to facilitate Management of risk related to political exposure associated with a financial transaction, comprising: receiving digital financial transaction data into a computer system including data identifying a participant in the financial transaction (see abstract); determining that the participant is a politically identified person (PIP) by referencing digital data in a memory of a computer system indicating that the participant has a status of at least one of: an elected official, a bureaucrat, a political appointee, World Bank Official and a military personnel (i.e., the customer/account data store represents a reference data store employed to hold account and customer data e.g., identity and status information, see col.10, lines 50-65, also see col.7, lines 53-65); calculating a first numerical value representative of a political risk (i.e., fraud) based on the financial transaction data; calculating a second category numerical value representative of a political risk (i.e., fraud) based on the financial transaction data (see col.4, lines 1-15, also see col. 9, lines 30-36 – multiple financial risk scores may be generated for a particular scoreable event, depending on the financial risk(e.g., bankruptcy, credit loss, fraudulent usage, and the like)); calculating, based on the first and second numerical values, an overall transaction political risk quotient associated with the financial transaction (i.e., form a score based on preexisting model, see col.4, lines 5-12) ; and comparing the overall transaction political risk quotient with a risk quotient threshold to

determine a suggested action associated with the financial transaction (see col.4, lines 10-15).

Re claim 55. Basch further discloses a computer-implemented method wherein the overall transaction political risk quotient is further calculated based on weights applied to said first and second numerical values (i.e., predictive model, model used by Basch to calculate first and second risk score, may consist of model metadata (which may represent patterns weights, calibration factors, and other factors which characterizes and conditions the functionality of the predictive model, see col.12, lines 10-30).

Re claim 56. Claim 56 recites similar limitations to claim 49, and thus rejected using the same art and rationale in the rejection of claim 49.

Re claim 57. Claim 57 recites similar limitations to claim 50, and thus rejected using the same art and rationale in the rejection of claim 50.

Re claim 58. Claim 58 recites similar limitations to claim 51, and thus rejected using the same art and rationale in the rejection of claim 51.

Re claim 60. Basch further discloses the method wherein the overall risk quotient comprises scaled numeric or scaled alpha-numeric value (i.e., a score, see col.4, lines 5-10, also see col.12, lines 10-30, predictive model, model used by Basch to calculate first and second risk score, may consist of model metadata (which may represent patterns weights, calibration factors, and other factors which characterizes and conditions the functionality of the predictive model).

Claim Rejections - 35 USC § 103

8. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claim 59 is rejected under 35 U.S.C. 103(a) as being unpatentable over Basch.

Re claim 59. Basch does not expressly disclose a method wherein the second numerical value relates to a political risk category. However, Basch discloses that multiple numerical values (i.e., a risk score) may be generated for a particular scoreable event (e.g., bankruptcy, fraud etc, col.4, lines 1-15, also see col. 9, lines 30-36)) Since fraud, a scoreable event, is a political risk category, one of ordinary skill in the art would have been motivated to use Basch to generate a numerical value (first or second numerical value) for said political risk category (i.e., fraud) in order to assign weights to said risk category.

Response to Arguments

9. Applicant's arguments filed March 02, 2005 have been fully considered but they are not persuasive.

(A) In the remarks, the applicant argues that the examiner has made no clear distinction between the rejection under 35 U.S.C. 112, 1st paragraph and the rejection under 35 U.S.C. 112, 2ND paragraph. In response to the applicant's argument, the examiner respectfully submits that the rejection under 35 U.S.C. 112, 1st paragraph is for failing to comply with the enablement requirement. The claim(s) contains subject

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matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. However, the rejection under 35 U.S.C. 112, 2nd paragraph is given for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The examiner reaffirms that the few generic examples of algorithms and instructions in the specifications regarding the calculation of a risk quotient do not provide full, clear, concise, and exact terms as to enable any person skilled in the art to duplicate the invention. As written it is entirely subjective and incomplete, and only provides a general description of old and well-known approaches to common analyses of risk; not a specific set of steps with very specific mathematical values or algorithms for or a detailed list of each element being evaluated by this invention or a definition of what weight will be applied to which elements. In fact, There is only a single paragraph in the specification that describes the calculation by algorithm of a risk quotient, and that description is replete with the uncertain and non-specific terms "may be (or maybe not)" and "can be (or can not)."

(B) The applicant's argues that the specification describes a risk quotient, not merely a mathematical quotient. In response to this argument, the examiner respectfully submits that even if the risk quotient disclosed by the applicant does not necessary carry any implication of a specific mathematical notations, the risk quotient disclosed by the applicant stands for a calculated result, but the problem is that the specification does not clearly and adequately explain with certainty exactly how that quotient is calculated

There is only a single paragraph in the specification that describes the calculation by algorithm of a risk quotient, and that description is replete with the uncertain and non-specific terms "may be (or maybe not)" and "can be (or can not)", and does not clearly and adequately explain with certainty exactly how that quotient is calculated.

(C) Lastly, the applicant argues that fraud is not the same as political risk. While the applicant argues that fraud is not the same as political risk, the applicant mentions the theft of sovereign assets by foreign political leaders, such as: Marcos family of the Philippines, Raul Salinas of Mexico, and General Abacha of Nigeria in the specification (see page 2 under background of the invention). As evidenced by the applicant's own citation of "theft" in the specification, the examiner respectfully submits that theft of sovereign assets by political leaders constitutes a fraudulent act, a form of political risk. Take Nigeria for example, the government of Abacha embezzled billions of dollars and laundered the money all over the world. Abacha and his cohorts, carry out their high level embezzlement by (1) defrauding the central bank of Nigeria, and divert proceeds from oil exports into private foreign accounts, (2) inflating government contracts and pocketing the excess sum. In addition, one of the causes of Asian financial crises involved fraudulent practices by government controlled banks in dealing with industrial conglomerates i.e., Chaebol in South Korea. Thus, these two examples attest to the fact that fraud is a form of political risk.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to OJO O. OYEBISI whose telephone number is (571) 272-8298. The examiner can normally be reached on 8:30A.M-5:30P.M.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, HYUNG S. SOUGH can be reached on (571)272-6799. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).


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